Governments of these two States did much to compensate the agricultural class as a whole for falls in the price of their staple products. No such policy was possible in a country such as Lithuania, where agricultural production could not readily be increased. Here the situation was aggravated by the economic difficulties with Germany arising out of the Memel question,[1] and the position of the peasant long remained miserable. It was stated in November 1935 that 'in spite of all the relief afforded directly and indirectly by the Government, farmers are thrown back on their own resources, even to the wearing of home-spun cloth and straw shoes'.[2]

Since 1935, however, prices have risen appreciably in all three countries, and even in Lithuania, where the gold content of the currency has remained the same throughout, the increase has been substantial. The rise gathered momentum during the earlier part of 1937 and, though most prices have since fallen somewhat, the effect upon the position of the farmer has been enormous. The resulting increase in the purchasing power of the agricultural population has, in fact, been the basis of the active industrial conditions which persisted in Estonia and Latvia during 1936 and 1937–8, and of the considerable increase in Lithuania's imports in 1937, most of which are of an industrial nature.

3. Agriculture

The production of cereals over the period is shown in the following table:

TABLE 33. *Cereal production*

	Area under crop (thousand ha.)				*Production (thousand quintals)*				*Yield (quintals per ha.)*			
	Average 1926–30	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**	*Average 1926–30*	*Average 1931–5*	*Year 1936*	*Year 1937**
Wheat												
Estonia	30	56	66	68	321	634	663	753	10·7	11·3	10·0	11·1
Latvia	61	119	129	137	731	1,633	1,435	1,715	11·8	13·7	11·1	12·5
Lithuania	163	205	196	209	1,859	2,532	2,189	2,174	11·9	13·4	11·0	10·4
Barley												
Estonia	114	107	101	89	1,139	1,034	868	819	9·9	9·7	8·6	9·2
Latvia	176	185	189	182	1,570	2,004	1,650	2,514	8·8	10·8	8·7	12·0
Lithuania	201	202	214	214	2,113	2,435	2,326	2,471	10·7	12·1	10·9	11·5
Rye												
Estonia	149	147	137	149	1,594	1,907	1,535	2,059	12·1	13·0	11·2	13·8
Latvia	254	253	256	288	2,471	3,146	2,860	4,714	9·7	12·4	11·1	14·6
Lithuania	471	498	492	510	5,184	5,691	5,414	6,009	10·8	11·4	11·0	11·8
Oats												
Estonia	144	142	138	145	1,273	1,409	1,138	1,437	8·6	9·9	8·2	9·9
Latvia	297	317	339	335	2,561	3,542	2,844	4,049	8·0	11·2	8·4	12·1
Lithuania	335	350	357	346	3,370	3,735	3,316	3,898	9·4	10·7	9·3	11·2

* 1937: provisional figures only.

[1] See below, p. 167.

[2] D.O.T.: *Economic Conditions in Lithuania, November 1935*, publ. 1936, p. 24.